

CORPORATE GOVERNANCE STATEMENT 2012

Marimekko Corporation applies the Finnish Companies Act, other regulations concerning public listed companies, Marimekko Corporation's Articles of Association as well as the rules and regulations of NASDAQ OMX Helsinki Ltd. Marimekko Corporation also complies with the recommendations of the Finnish Corporate Governance Code, effective as of 1 October 2010, in accordance with the 'comply or explain' principle, without deviating from the recommendations.

The Corporate Governance Statement has been drawn up in accordance with the recommendation 54 of the Corporate Governance Code. The Statement has been issued as a separate report and Marimekko Board of Directors has reviewed it. The Statement has been published on the Company's website at company.marimekko.com. The Finnish Corporate Governance Code is publicly available on the website of the Securities Market Association at www.cgfinland.fi.

The Company's auditor, PricewaterhouseCoopers Oy, Authorised Public Accountants, has checked that the Statement has been issued and that the description of the main features of the internal control and risk management systems in relation to the financial reporting process are consistent with the financial statements.

1. Description of the operations of the Board and Board Committees

1.1. Board composition

Marimekko's Annual General Meeting was held on 17 April 2012. The Annual General Meeting reappointed the following members to the company's Board of Directors:

Pekka Lundmark, Chairman of the Board

- born 1963
- M.Sc. (Eng.)
- principal occupation: President and CEO of Konecranes Plc, 2005–

Mika Ihamuotila, Vice Chairman of the Board

- born 1964
- Ph.D. (Econ.)
- principal occupation: President and CEO of Marimekko Corporation, 2008–

Elina Björklund

- born 1970
- M. Sc. (Econ.), IDBM pro
- principal occupation: CEO of Reima Ltd, 2012–

Arthur Engel

- born 1967
- degree in economics
- principal occupation: CEO of Björn Borg AB, 2008–

Ami Hasan

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- born 1956
- secondary school graduate
- principal occupation: Chairman of the Board of advertising agency Hasan & Partners Finland Oy, 1997–

Joakim Karske

- born 1963
- Master of Arts
- principal occupation: Director, Design Strategy & Portfolio Planning, Nokia Design, 2009–

The Board evaluates the independence of its members annually in accordance with the Corporate Governance recommendations. Among the members of Marimekko's Board of Directors, Elina Björklund, Arthur Engel, Ami Hasan, Joakim Karske and Pekka Lundmark are independent of the company and its significant shareholders.

Mika Ihamuotila assumed the position of President and CEO of Marimekko Corporation in 2008. Muotitila Ltd, a company controlled by Mr Ihamuotila, held 16.04% of Marimekko Corporation's shares and voting rights at the end of 2012.

There is no particular order governing the appointment of Board members.

1.2. Description of the operations of the Board

The Finnish Companies Act provides the basis for the operations of the Board. According to the Finnish Companies Act, the Board is responsible for the proper organisation of the company's administration and operations. The President and CEO is responsible for the day-to-day management and development of the Group in accordance with the instructions and orders of the Board of Directors.

The principal duties of Marimekko's Board of Directors are defined in the written rules of procedure adopted by the Board. The rules of procedure are reviewed and confirmed annually at the Board's constitutive meeting, held following the Annual General Meeting. The Board reviews all matters that are significant to or that have long-term effects on the company's business operations.

According to the rules of procedure, the Board addresses issues such as the following:

- specifying and confirming strategic objectives and policies for the Group and the various business areas
- reviewing and confirming operating plans and budgets for the Group and the various business areas
- reviewing and approving interim reports, the consolidated financial statements and the Report of the Board of Directors
- expanding and downsizing business operations
- considering mergers, acquisitions and demergers and restructuring arrangements
- deciding on investments and the acquisition and sale of assets that are either strategically or financially significant
- deciding on financial policy and contingent liabilities related to financing arrangements
- approving the Group's reporting, risk management and internal control procedures, and audit and control systems

- approving the audit plan
- appointing the company's President and CEO and the members of the Management Group and deciding on their remuneration
- providing instructions for the President and CEO.

In 2012, the Board focused on e.g. the following subjects:

- developing the Company's strategy and confirming strategic objectives for the various business areas
- monitoring and aligning major business development projects, particularly those related to internationalisation
- monitoring and aligning exceptionally large investments
- monitoring risk management especially related to the Company's growth
- developing the remuneration of the personnel
- reviewing and confirming operating plans and budgets.

In 2012, the Board convened eleven times. The Board members' attendance rate at meetings was 92%. Marimekko does not have a supervisory board.

1.3. Board committees

Considering the nature and extent of the Company's business, Marimekko's Board of Directors has not found it necessary to establish separate committees. The Company's Board, therefore, manages the tasks that would belong to the committees.

When acting as the audit committee, the Board is responsible for:

- monitoring the reporting process of financial statements
- supervising the financial reporting process
- monitoring the efficiency of the Company's internal control and risk management systems
- reviewing the description of the main features of the internal control and risk management systems pertaining to the financial reporting process, which is included in the Company's Corporate Governance Statement
- monitoring the statutory audit of the financial statements and consolidated financial statements
- evaluating the independence of the statutory auditor or audit firm and especially the related services offered to the Company
- preparing the proposal for resolution on the election of the auditor.

2. President and CEO

- President and CEO Mika Ihamuotila.
- Born 1964.
- Ph.D. (Econ.).

2.1. Description of the duties of the President and CEO

The Board of Directors elects the Company's President and CEO and decides on the terms of the President and CEO's employment. The terms are specified in a written contract which is approved by the Board of Directors. The President and CEO is responsible for the day-to-day management and development of the

Group in accordance with the instructions and orders of the Board of Directors. The President and CEO is also responsible for keeping the Board up to date with regard to development of the Company's business and financial situation.

3. Internal control and risk management in the Marimekko Group

3.1. Internal control

The Marimekko Group applies the Company's internal control principles and operating plan for the execution and monitoring of internal control. In the Marimekko Group, internal control is defined as a process effected by the Board of Directors, management and all levels of personnel. The objective of internal control is to provide reasonable assurance that:

- the Company's operations are effective and aligned with strategy
- financial reporting and management information is reliable
- the Group is in compliance with applicable laws and regulations.

Marimekko's Board of Directors focuses on increasing shareholder value and, in accordance with good corporate governance, ensures that the company has defined internal control principles. Moreover, the Board of Directors monitors the efficiency of the Company's internal control and risk management.

Marimekko's internal control framework consists of the following components:

- internal control and risk management policies and principles set by the Board of Directors
- monitoring by management of the implementation and application of the policies and principles
- a comprehensive risk management process for identifying, assessing and mitigating risks that could prevent the achievement of Marimekko's objectives
- compliance procedures making sure that all applicable laws, regulations, internal policies and ethical values are adhered to
- an effective internal control environment at all organisational levels, including process-specific internal controls
- shared ethical values and a strong internal control culture among all employees.

The Board of Directors is responsible for the Company's administration and the proper organisation of operations. The Board is also responsible for monitoring the Company's accounting and asset management. In addition, the Board of Directors approves the internal control, risk management and corporate governance policies.

The President and CEO sets the ground for the internal control environment by instructing the management and by reviewing the manner in which they control business operations. The President and CEO is responsible for the day-to-day management of the Group in accordance with the instructions and orders given by the Board of Directors. The President and CEO shall see to it that the Company's accounts comply with the law and that its asset management is organised in a reliable manner.

It is the duty of the members of the Management Group to define internal control instructions and procedures for their own area of responsibility and to communicate these to the personnel.

Financial and administrative functions support the development of operational controls, monitor the adequacy and effectiveness of the controls, as well as ensure that external reporting is accurate, timely and in compliance with applicable laws and regulations.

Considering the nature and extent of the Company's business, Marimekko has not found it necessary to establish a separate internal audit function. The Board of Directors reviews the level of the Company's internal control activities at least once a year. Where necessary, the Board may purchase internal audit services from an external service provider.

3.2. Risk Management

Risk management at Marimekko is based on the Board-approved risk management policy which defines the Group's risk management principles, objectives and responsibilities as well as the organisation and control of the risk management process.

Marimekko's risk management aims to safeguard the smooth continuity of the business and to ensure stable financial performance for the Group. Comprehensive risk management is an ongoing, systematic process where key risks related to the Company's operations and business environment are identified and assessed. Key risks are risks that could prevent Marimekko from exploiting business opportunities, or could jeopardise or prevent the achievement of strategic objectives or the continuity of operations for the Group or part of the Group, or could otherwise have serious consequences for the Company, its employees or stakeholders. Risk management is an integral part of the Company's management and decision-making process and it covers all of the Group's functions.

Risk reporting is an integral element of Marimekko's annual business planning and strategy process. Internal risk reporting is part of regular, continuous business reporting as well as short-term business planning and decision-making process. Significant risks and risk management measures are reported annually in the Report of the Board of Directors, in quarterly interim reports, in accordance with laws, regulations and corporate governance principles, and on an as-needed basis.

4. Internal control and risk management pertaining to the financial reporting process

Internal control in relation to the financial reporting process is part of the Group's overall internal control and risk management framework. The aim of internal control in Marimekko Corporation is to:

- focus on risks that are the most significant from a strategic point of view and in terms of operational effectiveness
- promote ethical values and good corporate governance and risk management practices
- ensure compliance with laws, regulations, and the Group's internal policies
- ensure reliable financial reporting that supports internal decision-making and serves the needs of shareholders.

The consolidated financial statements of the Marimekko Group are prepared in accordance with the International Financial Reporting Standards (IFRS). The notes to the consolidated financial statements also comply with Finnish accounting and company legislation. Any adjustments are made in accordance with the notes to the financial statements.

Marimekko Corporation's business development and the realisation of its financial objectives are monitored by means of financial reporting covering the entire Group. Sales reports are drafted on a daily, weekly or monthly basis, as applicable. The consolidated result and balance sheet reports are drafted on a monthly basis. The Company's President and CEO presents the Board of Directors with the Group's monthly report, financial statement and interim report information as well as reports on other issues separately defined in the Board of Directors' rules of procedure. The Group discloses information concerning its

business development and financial situation in quarterly interim reports and the financial statements bulletin.

4.1. The components of internal control over financial reporting process

4.1.1. Control environment

The control environment is the foundation of Marimekko's internal control. It promotes the control consciousness of the organisation and forms the basis for other internal control components.

The control environment encompasses the ethical values, competence and development of the Group's employees, the management's operating style and way of assigning authority and responsibility, as well as the guidelines set by the Board of Directors.

Marimekko has subsidiaries in Sweden, Germany, the UK, the USA and Australia. Marimekko's distribution network is comprised of the company's own stores, retailer-owned Marimekko stores, and other dealers, including both specialist shops and department stores. Marimekko products are sold in about 40 countries. At the end of 2012, Marimekko had a total of 47 company-owned stores in Finland, Sweden, Denmark, Norway, Germany, Great Britain, the USA and Australia. In addition, there were 61 retailer-owned Marimekko stores.

The control environment of Marimekko's financial reporting process is represented by instructions that the Group has prepared in order to harmonise processes and procedures. To ensure consistency of bookkeeping practices, all Group companies are using a common chart of accounts. Moreover, the Group-wide accounting principles are used in preparing the financial statements and Marimekko's Board of Directors approves the accounting principles to be applied.

4.1.2. Risk assessment

At Marimekko, risks are identified as part of the annual strategy and operational planning. Risk management measures, responsible persons and an implementation schedule are determined for the identified risks. The risk survey is updated quarterly with interim reports.

Marimekko's strategic and operational objectives form the basis for risk identification. The aim is to identify risks that threaten the achievement of the Group's objectives. Risk analyses and assessments are based on self-assessment.

Control objectives and common control points have been defined for the identified risks associated with the Group's financial reporting process. Examples of control points are internal policies and approval procedures, reconciliations, verifications and segregation of duties.

4.1.3. Control activities

Control activities are the policies and procedures that help Marimekko's management to ensure the effectiveness, efficiency and reliability of the Group's operations. Controls also help to ensure that the risks that may hinder the achievement of Marimekko's objectives are managed appropriately.

The control points defined in the risk assessment for the financial reporting process are in place at all levels of the Group to ensure that applicable laws, internal procedures and ethical values are adhered to. The directors of the various functions are responsible for keeping abreast of developments in legislation in their

respective areas and communicating the changes to the organisation. The directors are also responsible for setting up adequate compliance controls and organising related training in their units. Moreover, process controls have been defined for the most significant business and reporting processes.

Marimekko's consolidated financial statements include the accounts of the parent company Marimekko Corporation and its subsidiaries. Marimekko's foreign subsidiaries report to the Group monthly, quarterly and when preparing the financial statements. The financial statements of the Group's subsidiaries are prepared in accordance with local accounting principles; the subsidiaries do not apply IFRS in their financial statements. The adjustments required under IFRS are made at the Group level.

The Group's financial function is responsible for preparing the consolidated financial statements based on the financial statements of the subsidiaries. The Group CFO reviews the figures provided by the subsidiaries and analyses the reasons for any deviations in order to assure the reliability of financial reporting. In addition, the Group's financial function checks the income statement and the balance sheet before submitting them to the Board of Directors.

The Board of Directors approves the interim reports, the financial statements bulletin and the financial statements.

4.1.4. Information and communication

The communication of controls and control procedures is an essential part of internal control pertaining to the financial reporting process at Marimekko. The people responsible for financial reporting in subsidiaries and at Group level are involved in the assessment of risks associated with financial reporting and the defining of controls. The Group's common control points have been communicated to all involved in the reporting process. The Group's financial function supports the implementation of the controls in the subsidiaries through regular guidance and monitoring.

The Group has instructions for financial reporting and the instructions are updated regularly. Accounting principles and reporting instructions are communicated to all people involved.

4.1.5. Monitoring

Monitoring of controls is a way to assess the efficiency and effectiveness of control activities on a regular basis. Monitoring can be done continuously as part of day-to-day work or as separate evaluations.

In its capacity as the audit committee, the Board of Directors carries out its supervisory responsibilities by monitoring the reporting process of interim reports and financial statements and by evaluating the adequacy and appropriateness of internal control and risk management in relation to the financial reporting process. Management monitors the control system for the financial reporting process on an ongoing basis as part of operational monitoring. Monitoring can also be conducted by the Group's financial function. Ongoing monitoring includes regular management activities and other tasks done by the personnel while performing their duties.

The scope and frequency of separate evaluations depend primarily on risk assessments and the effectiveness of ongoing monitoring procedures. The detected deficiencies in internal control over the financial reporting process are reported upwards; the most serious deficiencies are reported to senior management and the Board.

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Other Group monitoring activities include administrative and legal guidance, defining responsibilities and authorities as well as monitoring and analysing the realisation of the organisation's objectives. Moreover, the effectiveness of the risk management system is controlled as part of Group monitoring activities.

Approved by Marimekko Corporation's Board of Directors on 30 January 2013